arrangements, they are obligated to file such agreements with their state commissions under Section 252(a)(1) for approval as negotiated agreements, and then make those agreements available to non-party carriers (Section 252 (i)).[40] See In the Matter of Negotiated Interconnection Agreements of Telecommunications Carriers, Docket No. 96-098-U, AK PSC, filed April 1, 1996:

> "To fulfill the requirements imposed on the Commission in the Telecommunications Act of 1996, the Commission hereby directs that Southwestern Bell Telephone Company (SWBT) and the GTE Telephone Operations Companies (GTE) file in this Docket all jurisdictional interconnection agreements negotiated prior to the date of enactment of the Telecommunications Act of 1996 on or before 2:00 p.m. on Friday, April 19, 1996."

Second, almost all networks currently lack the ability to measure the volume of exchanged traffic, and adding that ability could be costly if done outside of normal network upgrades. The ILECs might well accept such a burden if it means CLECs have to invest in measuring devices rather than competitive facilities, but for CLECs it could act as a barrier to entry.

Third, the recovery of costs for reciprocal compensation is limited to "the additional cost of terminating such calls" (Section 242(d)(2(A)(ii))(see infra at pp. 45-46). Because in the absence of any CLEC facilities, this traffic would very

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[40] The Interconnection NPRM is clearly correct in pointing out that the recognition of the legality of bill and keep arrangements in Section 252(d)(2)(B)(i) obviously must reflect a right to demand such agreements (¶ 243). Section 252(d)(2)(B)(i) could not be construed as creating a voluntary right inasmuch as states have no power to disapprove bill and keep agreements which are voluntary.

likely have been carried by ILECs anyway, and would have imposed the same or even greater costs on the ILEC network (since CLECs will usually be more efficient), there are no "additional costs" to recover.[41]

Accordingly, the Commission's regulations need to specify as a preferred outcome that CLECs are entitled to exchange traffic on a "bill and keep" basis wherever the costs of creating the ability to measure traffic exchange is disproportionate to the likely amounts that would be paid under a discrete cost system. Individual parties to bill and keep arrangements could, of course, include the right to negotiate compensation rates based on the LRIC costs of an optimally efficient carrier.[42] Furthermore, because the statute does not mandate any particular cost recovery structure (in particular, there is no prohibition of flat-rated recovery where it properly reflects the underlying cost structure), neither should the Commission.

The Interconnection NPRM asks whether the pricing standards for reciprocal compensation could be different from unbundled elements (¶ 233). Both the language of the 1996 Act and sound

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[41] See US West International's response to OFTEL's consultative document (at 13): "The provisioning of call completion, as part of the public policy goal of 'any-to-any' calling, is more properly seen as a cost which should be recovered, rather than as a source of revenue. Operators should make their 'mark-ups' on their retail services ...."

[42] ALTS agrees that symmetrical compensation rates are appropriate for each of the reasons specified in ¶ 236.

policy suggest such a difference could be inferred. Section 252(d)(2)(A)(ii) expressly refers to the "additional costs of terminating traffic," which strongly suggest an incremental cost standard as opposed to the TSLRIC standard that applies to other aspects of Section 251(c).

D. Continued Enforcement of Exchange Access and Interconnection -- ¶ 262

Concerning the questions raised in ¶ 262, ALTS believes there are no problems associated with continued enforcement of exchange access tariffs. These tariffs remain fully in effect, and any erosion of access revenues which might occur as a result of migration to Section 251 interconnection arrangements cannot likely occur so rapidly as to materially affect the ILECs before the Joint Board and the Commission complete their reform of the universal subsidy flows currently contained in the access system.

As for interconnection, ALTS believes certain fundamental policy issues -- such as cost and price standards, the definition of "premises," the rules for requesting space where limitations exist, etc. -- raise the same implications for the Interconnection NPRM as they do for the Expanded Interconnection docket, and should be implemented in the same manner in each proceeding. Since these issues have already been set out in the Interconnection NPRM, they should be decided here first, and these determinations should then be promptly incorporated into the Commission's Expanded Interconnection rules.

It is axiomatic that courts and agencies must apply the organic law in effect at the time of their decisions, absent contrary indications in the law itself or remarkable hardship, even where the applicable law has changed since the closing of the record. Bradley v. School Board of the City of Richmond, 416, U.S. 696, 715 (1974). Thus, Section 251(c)(6) of the 1996 Act (creating a duty to provide collocation), Section 251(c)(3)(creating a duty to provide unbundled network elements), and Section 251(g)(shifting enforcement of the substantive requirements of the former MFJ to the Commission), are all part of the governing law which must be weighed by the Commission when making its Phase II decision, and when issuing further Expanded Interconnection orders in general.

Section 251(c)(6) of the Telecommunications Act of 1996 ("1996 Act") requires ILECs to provide physical or virtual collocation (Interconnection NPRM at ¶ 66). In considering the adoption of standards for implementing this obligation, the Commission has inquired whether it should readopt its "prior standards governing physical and virtual collocation ... We also seek comment regarding whether we should modify those standards, in light of: (1) the new statutory requirements; (2) disputes that have arisen in the subsequent investigations regarding the LECs' physical and virtual collocation tariffs; or (3) additional policy considerations [citing to the pricing requirements for collocation in section II.B.2.d]" (id. at ¶ 73).

The Interconnection NPRM is clearly correct in recognizing there should be some linkage between the Commission's Section 251 regulations and its Expanded Interconnection rules. The same fundamental policies ultimately control the Commission's proposed adoption of national standards for implementing negotiated collocation, and its rules for the filing of interstate collocation tariffs by the ILECs. It makes little sense for the Commission to prescribe a specific regime for collocation agreements implementing Section 251(c)(6), while failing to implement those same policies in its own Expanded Interconnection rules.

While the Expanded Interconnection rules will clearly need to be conformed to the outcome here at the earliest possible opportunity, there are important actions which should be taken in the Expanded Interconnection dockets before then. These issues include:

- Immediate reissuance of the Commission's "physical collocation" rules;
- Immediate adoption of those portions of the virtual collocation rules which were not included in the Commission's Virtual Collocation order on remand out of a concern they resembled "physical collocation." These include:
  - The requirement that ILECs offer a "$1 leaseback" arrangement for interconnector designated equipment ("IDE");
  - Rules allowing interconnector-competitors to use non-ILEC personnel to install, maintain and repair virtual collocation equipment at their option; and
- Preliminary refunds, with interest, of identified overcharges.

It is clearly necessary to put these requirements into effect now, rather than await the issuance of an Interconnection NPRM decision. Section 251(c)(6) was indisputably included to cure the judicial reversal of the Commission's original physical collocation regime -- a proceeding in which exhaustive pleadings were filed by all parties -- so there is no sensible reason to rehash the merits of physical collocation all over again. While some aspects of the Expanded Interconnection rules applicable to both physical and virtual collocation will need review in light of the ultimate result in the Interconnection NPRM, there is no reason to make interconnector-competitors unnecessarily wait for a form of Expanded Interconnection which the Commission has already blessed, and which Congress clearly intended to be available.

Furthermore, Section 251(j) of the 1996 Act transfers enforcement responsibility over the substantive requirements of the Modification of Final Judgment to the Commission until such time as the Commission expressly supersedes those requirements. The Department of Justice has made its MFJ files available in order to further the Commission's new function, and Judge Greene's order of April 11, 1996, order vacating the MFJ expressly approved the Commission's new role.

The Commission's assumption of the investigative and adjudicative functions formerly performed by the MFJ court and DOJ has two important implications. First, now that the MFJ's

robust antidiscrimination standards are fully applicable to the Regional Bell Holding Companies ("RBOCs") in all Commission proceedings, it is manifest the RBOCs can no longer refuse to compare their costing of collocation services with their costing of similar functionalities contained in services to most favored RBOC end users, as amply demonstrated by the facts that gave rise to the Enforcement Order. US West violated the MFJ by offering GSA a price for off-network access from its local exchange tariffs in connection with US West's own switching service that was appreciably lower than the price it was offering from its access tariffs for the same service when provided in connection with AT&T's competing switching service. United States v. Western Electric, 846 F.2d 1422, 1424 (D.C. Cir. 1988).[43]

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[43] The Court of Appeals for the District of Columbia left no doubt about the decree's broad antidiscriminatory reach in rejecting a claim by US West that its provisioning of exchange services to a non-interexchange carrier could not violate the MFJ (United States v. Western Electric, 846 F.2d 1422, 1428-29 (D.C. Cir. 1988; emphasis supplied)):

> "Nor is there reason to read limitations into the term ['other person' in section II(B)] that the MFJ's drafters did not supply ... there is no indication, either in the text of the MFJ or in statements made in connection with its composition, that 'other persons,' as that term is used in section II(B), was meant to serve merely as a proxy for 'all interexchange carriers and information service providers.'"
>
> * * *
>
> "If a BOC or a Regional Holding Company were permitted to charge different customers different rates for exchange access or local exchange facilities, depending upon whether those customers purchased other products or services sold by the BOC or Regional Holding Company, then it could, in the court's terms, exploit its 'bottleneck' monopoly over exchange access and local exchange facilities to the detriment of its competitors and ultimately of consumers of

(continued...)

While ALTS believes that the Phase II Order Designating Issues ("ODI") already requires the RBOCs to perform such a comparison -- a comparison they have flatly refused to provide, though they have not sought a stay of the ODI -- the new applicability of the former MFJ's stringent antidiscrimination obligations for RBOCs in Commission proceedings serves to underscore the significance of their non-compliance.

Second, the Commission's newly acquired access to all the documents within the scope of DOJ's MFJ functions enables it to review materials which are directly relevant to the particular issue involved here. On October 19, 1996, ALTS moved for expedited discovery of US West's reports to DOJ concerning its compliance with the antidiscrimination provisions of the MFJ in connection with its new services, including virtual collocation.[44] Now that the Commission has access to these

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(...continued)
telecommunications services."

* * *

"It is clearly reasonable to read the MFJ's nondiscrimination provisions in light of its fundamental purpose to stymie efforts by a local monopoly to use its stranglehold upon essential facilities and services to thwart effective competition in areas where its monopoly position was not protected by the MFJ."

[44] These documents exist because US West violated the anti-discrimination provisions of the MFJ, was required to pay a $10,000,000 fine, and was forced to put into place and fully document specific business processes which would detect any future attempt at discrimination against services used by US West's competitors, including the virtual collocation services at
(continued...)

reports, it can review for itself the issue of whether US West is, in fact, complying with the continuing antidiscrimination provisions of the MFJ in general, and US West's Enforcement Order in particular, in assessing its compliance with Expanded Interconnection or the collocation rules proposed here (Rule 404).[45]

It is difficult to overstate the importance of the Commission's newly acquired ability to review US West's own analyses of its antidiscrimination compliance. The Enforcement Order requires US West to review its new services for discriminatory effect, thereby necessitating precisely the kind

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(...continued)
issue here in the Phase II Order, and to report these analyses to the United States Department of Justice.

[45] The fact the Phase II proceeding involves a modified form of rulemaking instead of an adjudicatory proceeding in no way relieves the Commission of its obligation to take note of material and relevant evidence relevant to that rulemaking. US West's Enforcement Order entered February 15, 1991, was imposed to insure compliance with precisely the very policy concerns at issue in Phase II: "US WEST shall establish and maintain a formal process for evaluating its compliance with the non-discrimination provisions of the Modification of Final Judgment;" Enforcement Order, Section A. Section IV(I) makes this review expressly applicable to "new products" offered to "competitors:"

> "It is further ordered that US WEST's own internal formal process for reviewing business practices shall include any new products US West desires to offer to its end users and/or competitors, including any existing product whose underlying cost methodology, pricing, or interconnection terms or conditions are substantially modified. US WEST shall incorporate the review of the new or modified product into its next report to the Department of Justice."

of comparison ordered by the ODI, but which US West has refused to provide. The Commission's access to these analyses now permits it to obtain exactly the evidence US West was ordered to submit. ALTS respectfully requests that the Commission immediately obtain this information, and incorporate it into its Phase II decision as well as the present proceeding.

III. PROVISIONS OF SECTION 252 -- ¶¶ 264-272

A. Arbitration Process -- ¶¶ 264-268

The Interconnection NPRM seeks comments on "the circumstances under which a state commission should be deemed to have 'failed to act' under section 252(e)(5)" (¶ 266). One of the important reasons that ALTS proposes the robust "baseline" procedural rules for negotiation, mediation, and arbitration of agreements in Attachment A is that it provides the courts, state, and the Commission itself with a sure compass by which any state deviation from sound procedure can be measured.

ALTS does not believe that the Commission needs to specify the exact point at which it would intervene because of a state's failure to implement either the substantive or procedural requirements of Attachment A. No doubt experience will create a body of caselaw. However, there would be wisdom in the Commission identifying at least a few instances which would merit preemption by themselves. In particular, ALTS agrees with Ameritech that the failure of a state to act upon an agreement

under its review requires Commission intervention.[46]

B. Section 252(i) -- ¶¶ 269-272

Given the Act's express requirement that any Section 252 agreements be available to non-party requesting carriers on an disaggregated basis, this statutory requirement should be clearly stated in the Commission's Section 251 regulations. Failure to reiterate this simple and obvious requirement would be a "green light" for gamesmanship by the incumbent local exchange carriers which would pointlessly consume resources and possibly cripple implementation of the Act. On the other hand, there is no need to require completely disaggregated provisions in order to protect the '96 Act's goal of trying to equalize bargaining power, and minimize pricing distortions.[47] ALTS seeks unbundling only down to the level of the individual provisions of the subsections and individual paragraphs of Section 251.[48]

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[46] See Ameritech's Comments in Investigation of the Implementation of the Federal Telecommunications Act of 1996 in Wisconsin, WI 05-TI-140, filed April 11, 1996, at 2: "If the Commission fails to make its determination within the time period prescribed by the Act, the FCC will preempt on the basis of §252(e)(5) and assume the responsibility of the Commission."

[47] See the Interconnection NPRM's concern that "allowing requesting carriers to unbundle too extensively the provisions of a voluntarily negotiated agreement might affect the negotiation process by intensifying the importance [of] each individual term of the agreement" (¶ 271).

[48] This general rule has at least one exception. Individual network elements provided pursuant to Section 251(c)(2) must be provided individually to non-parties on a disaggregated basis. See Section 251(c)(2): "The duty to provide ... non-discriminatory access to network elements on an unbundled (continued...)

Sections 251 and 252 clearly require that all existing and future interconnection agreements be submitted to state commissions for approval (Section 252(a)(1)) in order to take effect as Section 252 agreements. It is also manifest that non-party carriers are expressly authorized to order "any interconnection, service, or network element" provided in a Section 252 agreement (Section 252(i)). In order to fully protect this clear statutory right of non-party carriers to order from Section 251 agreements on an disaggregated basis (i.e., order any portion of an agreement implementing particular subsections or paragraphs of Section 251(b) or (c)), the Commission should incorporate an express disaggregation requirement in its regulations.[49]

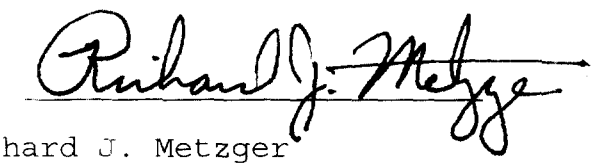
(...continued)
basis ...;" emphasis supplied.

[49] The structure of Sections 251 and 252 would effectively mandate a disaggregation requirement even in the absence of Section 252(i)'s express language. Since carriers can demand and reach agreements on a subsection-by-subsection, or paragraph-by-paragraph basis, and non-party carriers could then effectively order on an disaggregated basis from each such agreement, it makes no sense to allow an ILEC to bundle together portions of an agreement which implement different portions of Section 251(b) or (c).

CONCLUSION

For the foregoing reasons, ALTS requests that the Commission adopt the proposed rules set forth in Attachment A.

Respectfully submitted,

By: 

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May 16, 1996

PROPOSED REGULATIONS -

IMPLEMENTATION OF LOCAL COMPETITION

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PART **

IMPLEMENTATION OF LOCAL COMPETITION

Subpart A

.001 **Purpose. The purpose of the rules in this Part is to specify the obligations imposed on telecommunications carriers in Sections 251 and 252 of the Telecommunications Act of 1996 ("the Act"), and also to provide for the uniform enforcement of those obligations, in order to assure prompt implementation of the Act's pro-competitive mandate in an efficient manner.

.002 **Scope. The rules in this part apply to all telecommunications carriers that invoke or bear any duty or obligation under Sections 251 or 252 of the Act. Rules dealing with carrier obligations under other portions of the Telecommunications Act of 1996 are set forth elsewhere at 47 C.F.R. §§ **.

.103 **Definitions. The terms defined in 47 U.S.C. § 153 shall have the same meanings when used in these regulations. As used in this Part, the terms below have the following meanings:

(a) "AIN" means "advanced intelligent network."[1]

(b) "central office switch" or "central office" means a switching entity within the public switched telecommunications

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[1] See, e.g., Bellcore, Advanced Intelligent Network, Release 1, Switching Systems Generic Requirements, Technical Advisory TA-NWT-001123 Issue 1. May 1991.

network, including, but not limited to:

(1) "end office switches," also known as "Class 5 switches," from which end-user exchange services are directly connected and offered, and

(2) "tandem office switches", also known as Class 4 switches, which are used to connect and switch trunk circuits between and among central office switches.

(c) "collocation" is an interconnection arrangement in which one telecommunications carrier extends transmission facilities to a wire center or aggregation point in the network of another telecommunications carrier, and in which the first carrier's facilities are terminated into equipment installed and maintained in that wire center by or on behalf of the first carrier for the primary purpose of interconnecting the first carrier's facilities to the facilities of the second carrier.

(d) "end user" means the individual or entity with the ultimate financial and managerial responsibility for the use of a telecommunications carrier's telecommunications service.

(e) "interconnection" means the connection of pieces of equipment or facilities under separate ownership or control within, between, or among networks for the purpose of the transparent exchange of traffic. There are several methods of interconnection including, but not limited to: collocation arrangements and mid-span meet arrangements.

(f) "interconnection arrangement" means any arrangement for the services and functionalities set forth in sections 251 and 252 of the Act, whether written or verbal, including all such

arrangements entered into prior to the effective date of the Act.

(g) "intelligent network" or "IN" means the use of decentralized logic modules (such as Service Control Points ("SCPs")) to interact with the conventional digital, stored program-controlled switch. The logic modules are placed at separate network computers that communicate with the service hardware through the SS-7 network.

(h) "interim number portability" means the transparent delivery of local telephone number portability capabilities from an end user standpoint in terms of call completion, and from a carrier standpoint in terms of compensation, through the use of existing and available call routing, forwarding, and addressing capabilities.

(i) "line side" means an end office connection that is capable of, and has been programmed to treat a circuit as, connecting an end office to an end user. Line side connections offer those transmission and signalling features necessary for the direct connection of end user telephone stations.

(j) "local exchange carrier" has the same meaning given to it in the Act. When used in these rules, "local exchange carrier" includes both incumbent local exchange carriers and any other local exchange carrier.

(k) "local telephone number portability" or "LTNP" means the technical ability of an end-user to utilize its telephone number in conjunction with any exchange service provided by any local exchange carrier operating in the geographic number plan area with which the end user's telephone number(s) is associated,

regardless of whether the end user's chosen local exchange carrier is the carrier that originally assigned the number to the customer, without financial or administrative penalty or degradation of service to either the end user or its chosen local exchange carrier.

(l) "mid-span meet" is an interconnection arrangement whereby two carriers meet at a splice in a junction box.

(m) "N-1 call processing" refers to carriers that perform the data inquiry as to a ported number in order to determine its ultimate routing through the public switched network.

(n) "permanent number portability" means the use of a database solution to provide fully transparent LTNP for all end users and all providers without limitation.

(o) "requesting telecommunications carrier" means any telecommunications carrier that has made a written request of an incumbent local exchange carrier to enter into an interconnection agreement. No state or local government may in any way limit the ability of any entity to be a requesting telecommunications carrier.

(p) "signal transfer point" performs a packet switching function that routes signaling messages among service switching points, service control points, signalling points, and other signal transfer points in order to set up calls and to query databases for advanced services.

(q) "tandem facilities" are the facilities of incumbent local exchange carriers which provide the functions described as tandem functions in Section 69.2.

(r) "trunk side" refers to a central office switch connection that is capable of, and has been programmed to treat the circuit as, connecting to another switching entity (for example, a private branch exchange or another central office switch). Trunk side connections offer those transmission and signaling features appropriate for the connection of switching entities, and cannot be used for the direct connection of ordinary telephone station sets.

(s) "virtual collocation" refers to the form of expanded interconnection under which the collocated equipment is not owned by the interconnector, but by the carrier that also provides the space in which the equipment is located.

(t) "wire center" means a building or space within a building that serves as an aggregation point on a given carrier's network, where transmission facilities and circuits are connected or switched.

SUBPART B - Duties Under Section 251(a)

* * *

SUBPART C - Duties Under Section 251(b)

.301 **Local Telephone Number Portability -- ¶¶ 198-201

(a) A local exchange carrier shall provide local telephone number portability on a reciprocal basis between its network and the network of all other local exchange carriers offering service to end users.

(b) Beginning no later than March 31, 1997, all local exchange carriers shall begin implementing permanent local

telephone number portability without interruption of service to their end users according to any method meeting the following criteria:

(1) Compatibility with database solutions;

(2) IN or AIN feature triggering;

(3) Preservation of full feature interactions, including all SS-7 based functionalities;

(4) Efficient allocation of access revenues;

(5) Provisions for ten digit routing; and

(6) N-1 call processing scenario.

Such implementation shall be completed by December 31, 1998. Each local exchange carrier shall provide permanent local telephone number portability arrangements to other local exchange carriers at no charge, except for any processing charges associated with authorized collect, calling card, and third-number billed calls billed to retained numbers.

(c) Prior to the implementation of permanent local telephone number portability, all local exchange carriers shall offer interim local telephone number portability as follows:

(1) Upon receipt of a signed letter of agency from an end user and an associated service order requesting the assignment of the telephone number to another local exchange carrier (the "receiving carrier"), a local exchange carrier shall promptly forward all calls to the end user's telephone number to the telephone number designated by the receiving

carrier. The receiving carrier shall implement such requests in the same time frame and under the same quality standards as it treats its own operations.

(2) A local exchange carrier that has received such request (the "forwarding carrier") shall route forwarded traffic to a receiving carrier in a manner that does not degrade the quality or functionality of the call and that minimizes any delay in call set-up.

(3) The receiving carrier shall become the customer of record for the forwarding carrier's forwarded telephone numbers. A forwarding carrier shall provide the receiving carrier with a single consolidated billing statement for all collect, calling card, and 3rd-number billed calls associated with those numbers, with sub-account detail by retained number. Such billing statement shall be delivered either by electronic data transfer, daily magnetic tape, or monthly magnetic tape, as the receiving carrier requires.

(4) As directed by the receiving carrier, the forwarding carrier shall update its Line Information Database listings for retained numbers, and restrict or cancel calling cards, associated with the forwarded numbers.

(5) Within two business days after receiving notification from an end user, the receiving carrier

shall notify a forwarding carrier of the end user's termination of service and of the end user's instructions regarding telephone numbers. The for warding carrier shall, pursuant to the end user's instructions, reinstate service to that end user, cancel the interim local telephone number portability arrangements for that end user's telephone numbers, or redirect the interim local telephone number portability arrangements to another receiving local exchange carrier.

(6) The forwarding carrier shall give to the receiving carrier any access charges received from any interexchange carrier for calls routed to the receiving carrier's end user.

(d) Cost Recovery

(1) A telecommunications carrier shall bear its own internal costs of implementing permanent number portability, and may not recover those via a specific end user rate element identified solely for recovery of such costs.

(2) Third party services required for implementation of permanent number portability must be provisioned by a neutral, open bid process.

(3) No telecommunications carrier is entitled to assess any interstate or intrastate access charges based on its participation in completing a call solely to implement permanent number portability.

(4) Except for authorized collect, calling card, and 3rd-number billed calls billed to retained numbers, a telecommunications carrier may charge directly or indirectly for interim number portability only if the interim service preserves all the same functionalities provided to numbers that are not ported, including, but not limited to, SS-7 based services and E911.

.302 **Dialing Parity -- ¶¶ 202-19

(a) All local exchange carriers shall provide dialing parity for all telecommunications services that require dialing to route a call. All local exchange carriers shall permit end users within a defined calling area to dial the same number of digits to make a telephone exchange service call or telephone toll service call, regardless of the identity of an end user's or the called party's telecommunications carrier.

(b) Subject to the full implementation of section 251(e)(1), a local exchange carrier responsible for the administration and assignment of telephone numbers shall provide access to such numbers in the same manner that it provides itself access to such numbers.

(c) A local exchange carrier shall permit end users of any local exchange carrier operating within the same defined local calling area to access its directory assistance service and obtain a directory listing in the same manner that it permits its end user to access such service and obtain such a listing, including no unreasonable dialing delays.

(d) All local exchange carriers shall enable their end users to connect to an operator by dialing "0" or "0" plus the desired telephone number. A local exchange carrier shall provide all other local exchange carriers within the same defined local calling area access to its operator services on the same basis it provides such services to itself, including no unreasonable dialing delays without charge.

(e) For purposes of this section, the term "no unreasonable dialing delays" refers to the period that begins when an end user completes dialing a call and ends when a ringing tone or busy signal is heard on the line.

.303 **Charges for Transport and Termination of Traffic -- ¶¶ 226-244

Each local exchange carrier shall compensate any other interconnecting local exchange carrier according to one of the following methods:

(a) Agreements between local exchange carriers may charge on the basis of the net additional costs incurred by each in transporting and terminating the calls originating of the network of the other carrier, if any, with such costs calculated pursuant to long run incremental costs as defined at 47 C.F.R. § **.402, or mutually recover costs through the offsetting of reciprocal obligations, including arrangements such as bill and keep;

(b) In any agreement involving a local exchange carrier that is not an incumbent local exchange carrier, the